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July 9, 2008

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ELECTRIC & GAS REGULATION

VIA ELECTRONIC-DELIVERY

Charles L.A. Terreni
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

Re: Application of South Carolina Electric & Gas Company ("SCE&G") for Implementation of
Time-of-Use Rates for Residential and Commercial Customer Classes – Request of SCE&G for Approval of
Revised Rate 28
Docket No. 2007-171-E

Dear Mr. Terreni,

This is to inform the Public Service Commission of South Carolina ("Commission") that the Office of Regulatory Staff ("ORS") has reviewed SCE&G's request for the Commission to approve Revised Rate 28. The Company has made revisions to Rate 28, SMALL GENERAL SERVICE – TIME-OF-USE DEMAND, to more fully comply with the intended purpose of the design of Rate 28 with respect to revenue neutrality. The Company is also requesting Revised Rate 28 be designated as experimental to facilitate any future revision to the Rate should it become necessary. In addition, SCE&G modified the AVAILABILITY section of this Rate to match the kW limit set forth in the Company's net metering filing approved by the Commission in Order No. 2007-618 and reiterated in Order No. 2008-416.

The Company's request to designate Revised Rate 28 as experimental is consistent with the Commission's ruling in Order No. 2008-416 issued on June 24, 2008 in reference to SCE&G's net metering tariffs. ORS has no objection to the request to approve Revised Rate 28 as filed; however, ORS recommends the Rate be effective for service rendered on and after the first billing cycle in August 2008 to allow sufficient time for SCE&G to make the Rate available. In addition ORS recommends that the Company contact those nine customers who previously requested service under Rate 28 prior to its suspension and make them aware of the availability of Revised Rate 28. The Company should continue to monitor and evaluate Revised Rate 28 to assure that it is functioning as intended.

Sincerely,



John W. Flitter

JWF/swh

cc: Dan F. Arnett, Chief of Staff, SC ORS
Nanette S. Edwards, Deputy General Counsel, SC ORS
Shannon Bowyer Hudson, Esquire, SC ORS
K. Chad Burgess, Senior Counsel, SCE&G
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